

**Proposed Rule**  
LSA Document #19-252

**DIGEST**

Amends [760 IAC 1-67-4](#) concerning annual privacy notices to customers. Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

**[760 IAC 1-67-4](#)**

SECTION 1. [760 IAC 1-67-4](#) IS AMENDED TO READ AS FOLLOWS:

**[760 IAC 1-67-4](#) Annual privacy notice to customers**

**Authority:** [IC 27-1-3-7](#); [IC 27-1-25-14](#); [IC 27-1-33-11](#); [IC 27-2-20-3](#); [IC 27-8-16-14](#); [IC 27-8-17-20](#); [IC 27-8-19.8-26](#); [IC 27-13-10-13](#)

**Affected:** [IC 27-1-7-2](#); [IC 27-1-12-1](#); [IC 27-1-13-1](#); [IC 27-1-17-2](#); [IC 27-1-23](#); [IC 27-1-25](#); [IC 27-1-33](#); [IC 27-6-6](#); [IC 27-6-9](#); [IC 27-7-3](#); [IC 27-8-1](#); [IC 27-8-16](#); [IC 27-8-17](#); [IC 27-8-19.8](#); [IC 27-10-3](#); [IC 27-13](#)

Sec. 4. (a) A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship **as follows:**

- (1) As used in this section, "annually" means at least once in any period of twelve (12) consecutive months during which that relationship exists. A licensee may define the twelve (12) consecutive month period, but the licensee shall apply it to the customer on a consistent basis.
- (2) A licensee provides a notice annually if it defines the twelve (12) consecutive month period as a calendar year and provides the annual notice to the customer once in each calendar year following the calendar year in which the licensee provided the initial notice. For example, if a customer opens an account on any day of Year 1, the licensee shall provide an annual notice to that customer by December 31 of Year 2.

(b) A licensee is not required to provide an annual notice to a former customer. As used in this section, "former customer" means an individual with whom a licensee no longer has a continuing relationship and includes the following:

- (1) The individual no longer is a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee.
- (2) The individual's policy is lapsed, expired, or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of twelve (12) consecutive months, other than to provide annual privacy notices, material required by law or rule, or promotional materials.
- (3) An individual if the individual's last known address according to the licensee's records is deemed invalid. An address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful.
- (4) In the case of providing real estate settlement services, at the time the customer completes execution of all documents related to the real estate closing, payment for those services has been received, or the licensee has completed all of its responsibilities with respect to the settlement, including filing documents on the public record, whichever is later.

(c) When a licensee is required by this section to deliver an annual privacy notice, the licensee shall deliver it according to section 8 of this rule.

**(d) A licensee who:**

- (1) provides nonpublic personal information to nonaffiliated third parties only in accordance with sections 12 through 14 of this rule; and**
- (2) has not changed its policies and practices with regard to disclosing nonpublic personal information from the policies and practices that were disclosed in the most recent disclosure sent to**

**consumers in accordance with section 3 of this rule or this section;  
shall not be required to provide an annual disclosure under this section until such time as the licensee  
fails to comply with any criteria described in this subsection.**

*(Department of Insurance; [760 IAC 1-67-4](#); filed Aug 31, 2001, 9:40 a.m.: 25 IR 90; readopted filed Nov 27, 2007, 4:01 p.m.: [20071226-IR-760070717RFA](#); readopted filed Nov 26, 2013, 3:43 p.m.: [20131225-IR-760130479RFA](#))*

[Notice of Public Hearing](#)

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